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OFFICE OF THE SECRETARIAT

September 27, 2006

Ms. Eileen A. Donovan
Acting Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

Reference File # 2723.01
Rule Certification

Dear Ms. Donovan:

Pursuant to Commission Regulation 40.6(a), the Chicago Board of Trade (CBOT[®]) hereby submits the following, as indicated in the attached texts:

- **Revised Rules/Regulations 221.00, 230.00, 230.01 through 230.04, 230.06, 244.00, 244.08, 252.00, 270.01, 332.03, 540.13 (additions underlined; deletions struck through) and new Rulebook Appendix 2D.**

CBOT Rulebook Chapter 2 currently provides for several categories of member firm. These vary in terms of the type of Exchange business they conduct, their CBOT membership and CBOT Holdings, Inc. stock registration requirements, and their Exchange transaction fee treatment. The referenced revisions generally will reformat and consolidate the CBOT's existing member firm categories into a single new Rulebook Appendix 2D, which will be cross-referenced within the appropriate rules and regulations.

More specifically, the revisions include the following:

- Further differentiate among the categories of clearing firms and proprietary trading firms;
- Add categories of member firm affiliates that may qualify without any share requirements;
- Permit Registered Trading FCMs to qualify with additional categories of memberships;
- Reduce the share requirements under the "membership umbrella" category with respect to firms that qualify with 5 Series B-1 (Full) memberships for agricultural contracts only, to make the share requirements consistent with those for other firms;

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- Modify the membership and share requirements for Pools, Hedge Funds or Other Collective Investment Vehicles – Equity Members that wish to qualify more than six such entities, and for Registered Clearing or Equity FCMs under the membership umbrella that also wish to qualify a pool, hedge fund or other collective investment vehicle;
- Clarify that for purposes of qualifying member firm affiliates, the required memberships and/or shares may be owned by the member firm or by the member firm affiliates or their member-principals or member-employees; and
- Clarify that the memberships and/or shares that must be registered to qualify pools, hedge funds, or other collective investment vehicles may be owned by the member firm or by one or more of the pools, hedge funds, or other collective investment vehicles or their member-principals or member-employees.

The CBOT intends to implement these revisions as of October 1, 2006.

There were no opposing views concerning these revisions.

The CBOT certifies that these revisions conform with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths
Vice President and Secretary

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Additions are underlined; Deletions are ~~struck through~~.

221.00 Delegation - An individual member may delegate the trading rights and privileges of a Series B-1 (Full), Series B-2 (Associate), Series B-3 (GIM), Series B-4 (IDEM), or Series B-5 (COM) membership to an individual (a "delegate") upon the following terms and conditions:

* * * *

(c) (1) The member shall remain liable for an amount up to, but not in excess of, the value of the Series B membership being delegated ~~(and the lessor's shares of Class A common stock of CBOT Holdings if, and only to the extent that, such shares are registered for a member firm affiliate under Regulation 230.03)~~ for the debts, acts and delinquencies of the delegate ~~(or the member firm affiliate, if applicable)~~ arising from the use by the delegate ~~(or the member firm affiliate, if applicable)~~ of the Series B membership. The Series B membership so delegated ~~(and the lessor's shares of Class A common stock of CBOT Holdings described above, if applicable)~~, may be sold to satisfy any such liability in accordance with the Rules and Regulations of the Exchange. Delegation shall not relieve the member of any of his obligations or liabilities which he might otherwise have by virtue of being a member of the Exchange to other members of the Exchange;

(2) Upon the termination or expiration of the delegation agreement, the Exchange shall make notice thereof available to the membership. Thereafter, all members and delegates who may have claims against the delegate (or any member firm affiliate for which the leased seat ~~and, if applicable, the lessor's shares of Series A common stock of CBOT Holdings have~~ has been registered pursuant to Regulation 230.03) may file claims pursuant to Regulation 249.01(g). The member entering into a delegation agreement shall be responsible for the payment of those claims allowed by the Exchange and not satisfied promptly by the delegate ~~(or the member firm affiliate, if applicable)~~, but only to the extent of the value of the Series B membership so delegated ~~(and the lessor's shares of Class A common stock of CBOT Holdings if, and only to the extent that, such shares are registered for the member firm affiliate under Regulation 230.03)~~;

* * * *

230.00 Registration - An eligible business organization may qualify as a member firm of the Exchange if the required numbers of memberships and/or shares of Class A common stock of CBOT Holdings are registered on behalf of the firm, as specified in Regulation 230.02 and Appendix 2D.

All registered memberships must be in the name of a principal or employee of the member firm. Such principal or employee shall be referred to as a "nominee" with respect to the membership. All registered shares of Class A common stock of CBOT Holdings must be in the name of the member firm, or one or more member-principals or member-employees of the member firm. Registered memberships and registered shares

are not required to be in the name of the same individuals. All such membership or share registrations may be terminated at any time by the Exchange, or by the member firm, the nominees or the registering shareholders, as applicable, with the prior written approval of the Exchange.

No shares of Class A common stock of CBOT Holdings that are qualifying a member firm, or a ~~member firm~~ Qualified Affiliate under Regulation 230.02 or 230.03, may be sold, pledged, hypothecated, lent, re-registered or otherwise transferred without the prior written approval of the Exchange. Each member or ~~member firm~~ Qualified Affiliate is deemed to acknowledge that the Exchange has control over such shares and must comply with any policies or procedures established by the Exchange to effect control over such shares.

All memberships and/or shares of Class A common stock of CBOT Holdings that are owned by a member firm that is not a clearing member firm or a registered futures commission merchant may be in the name of a principal or employee of, and may be registered (except as provided in Regulation 249.01(b)(i)) on behalf of, another member firm which is wholly owned by such member firm, which wholly owns such member firm, or which is wholly owned by the same parent company(ies) as such member firm. During the term that any such memberships or shares that are necessary to qualify the member firm are registered on behalf of such other member firm, the member firm owning the memberships or shares will not be entitled to member firm transaction fees. However, any such member firm will remain subject to all applicable Exchange Rules and Regulations, including the disciplinary procedures set forth in Chapter 5, and the arbitration procedures set forth in Chapter 6.

230.01 Ownership of Registered Memberships and Registered Shares - For purposes of Rule 230.00 and Regulation 230.02, all Series B memberships and all shares of Class A common stock of CBOT Holdings registered on behalf of a member firm must be owned by either the member firm, another member firm which is wholly owned by such member firm, which wholly owns such member firm, or which is wholly owned by the same parent company(ies) as such member firm, or the nominees or member-shareholders who registered such memberships or shares, except in those instances where a leased membership ~~and/or the lessor's shares of Class A common stock~~ may be registered for a member firm or a ~~member firm~~ Qualified Affiliate under Rule 230.00 or Regulation 230.02 or 230.03.

230.02 Registration of Memberships and Class A Shares for a Member Firm

An individual desiring to register a membership and/or shares of Class A common stock of CBOT Holdings in order to qualify an eligible business organization as a member firm under Rule 230.00, and an eligible business organization seeking to qualify as a member firm, shall submit applications in the forms designated by the Exchange. The categories of member firms and the numbers of memberships and/or numbers of shares of Class A common stock of CBOT Holdings that must be registered on behalf of a member firm in each category are listed in Appendix 2D below. Only shares of Class A common stock that are maintained in an account with the CBOT Holdings transfer agent may be registered for a firm.

<u>Membership Type</u>	<u>Trading Rights</u>	<u>Class A</u>
<u>Shares</u>		

Clearing Member Firms

(1a) Registered FCM	2 Series B-1 (Full)	54,676
(1b) Proprietary Trading Firm	1 Series B-1 (Full)	27,338
(1c) Sole Proprietor	1 Series B-1 (Full)	27,338

Equity Member Firms

(2a) Registered FCM	1 Series B-1 (Full)	27,338
(2b) Proprietary Trading Firm	1 Series B-1 (Full); or 1 Series B-2 (Associate)	27,338 10,000
(2c) Pools, Hedge Funds or Other Collective Investment Vehicles	4 Series B-1 (Full) and 2 Series B-2 (Associate)	129,352

(Category (2c) qualifies the Equity Member Firm, and up to five additional such entities where the firm exercises trading control over, is under common trading control with, or wholly owns such entities.)

Trading Member Firms

(3a) Registered FCM	1 Series B-1 (Full)	None
(3b) Proprietary Trading Firm	1 Series B-1 (Full); or 1 Series B-2 (Associate); or 1 Series B-4 (IDEM); or 1 Series B-5 (COM)	None None None None
(3c) Pools, Hedge Funds or Other Collective Investment Vehicles	2 Series B-1 (Full) and 1 Series B-2 (Associate)	None

(Category (3c) qualifies the Trading Member Firm, and up to two additional such entities where the firm exercises trading control over, is under common trading control with, or wholly owns such entities. Each additional Series B-1 or Series B-2 membership qualifies one additional such entity that meets the foregoing requirements.)

e-cbot Member Firms

(4) e-cbot Member Firms	1 Series B-1 (Full) Leased; or 1 Series B-2 (Associate) Leased	None None
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Investment Only Member Firms

(5) Investment Only Member Firms	1 Series B-1 (Full) 1 Series B-2 (Associate)	None None
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1 Series B 3 (GIM)	None
1 Series B 4 (IDEM)	None
1 Series B 5 (COM)	None

~~Proprietary Trading Firms, whether they are Equity Member Firms or Trading Member Firms, must be wholly owned by members or members and employees of the firm; or must have a business purpose deemed appropriate by the Exchange, including cash grain firms, financial institutions, market makers designated by the Exchange, proprietary trading firms (that do not otherwise meet the definition of a Pool, Hedge Fund or Other Collective Investment Vehicle) or other forms of business approved by the Exchange.~~

A member firm that is qualified by the registration of one or more Series B-1 (Full) memberships shall be entitled to member firm transaction fees for all contracts traded on the Exchange. A member firm that is qualified solely by the registration of a Series B-2 (Associate), Series B-4 (IDEM) or Series B-5 (COM) membership shall only be entitled to member firm transaction fees with respect to those contracts in which such members have trading privileges, respectively. However, no Investment Only Member Firm shall be entitled to member firm transaction fees.

In order to qualify a new clearing member firm or a new registered futures commission merchant member firm, whether or not such firm is a current member firm in another category, the applicant shall submit the firm's certified financial statement prepared by an independent Certified Public Accountant as of the most recent fiscal year end, and a financial statement (which need not be certified) which is current as of the most recent preceding calendar month end. However, a Sole Proprietor that is seeking to qualify as a clearing member firm shall submit a financial statement in the form designated by the Exchange. In order to qualify a firm in all other firm membership categories, the applicant shall submit such financial information of the firm that may be required, in the discretion of the Exchange.

If a member firm desires to change its member firm category, it must submit any documents required by the Exchange, and it must obtain the approval of the Exchange. The Exchange may, in its discretion, waive or modify any of the foregoing requirements regarding the submission of financial information, or grant temporary approval pending the submission of such financial information, in the case of changes in member firm category that are necessitated by reorganization of current member firms.

Upon receipt of an application to qualify a new member firm, the Exchange shall, within fifteen days thereafter, make the name of the firm available to the membership.

No membership nor any particular shares of Class A common stock of CBOT Holdings may be registered on behalf of more than one member firm or ~~member firm~~ Qualified Affiliate.

Except as provided in Regulation 221.09, no membership registered for any member firm under Rule 230.00 may be delegated under the provisions of Rule 221.00.

An eligible business organization which has been conditionally approved for member firm status shall have six (6) months after the date that it was notified of such approval, or

within such extension of ~~said~~ such period as may be granted by the Exchange, to satisfy any conditions or contingencies imposed on such approval. If the conditions or contingencies are not satisfied by the applicable deadline, the Exchange's approval of the eligible business organization for member firm status shall be deemed void.

230.03 Member-Firm Qualified Affiliates and Designated Passive Investor Entities Pools, Hedge Funds, and Other Collective Investment Vehicles

(i) ~~Member-Firm Qualified Affiliates~~ - For purposes of ~~this regulation~~ Appendix 2D, the term "~~member-firm Qualified a~~Affiliate" shall mean a non-futures commission merchant, non-clearing entity that is not a pool, hedge fund or other collective investment vehicle, which is wholly owned by one or more member firms, which wholly owns a member firm, or which is wholly owned by the same parent company(ies) as a member firm. Except in those circumstances where the qualifying Series B membership may be leased by the Qualified Affiliate, the Series B membership and/or shares of Class A common stock of CBOT Holdings that must be registered in order to qualify a Qualified Affiliate may be owned by the member firm (if not also necessary to qualify the member firm), or by the Qualified Affiliate or its member-principals or member-employees. For purposes of the Membership Umbrella set forth in Appendix 2D, the required Series B memberships and/or shares of Class A common stock may be owned by the member firm, or by one or more of its Qualified Affiliates or member-principals or member-employees of such Qualified Affiliates.

(ii) Pools, Hedge Funds or Other Collective Investment Vehicles – The Series B memberships and/or shares of Class A common stock that must be registered in order to qualify Pools, Hedge Funds or Other Collective Investment Vehicles, as set forth in Appendix 2D, may be owned by the member firm, or by one or more of the qualified pools, hedge funds or collective investment vehicles or by member-principals or member-employees of such qualified pools, hedge funds or collective investment vehicles.

~~For purposes of this regulation, the term "member firm" shall refer only to a firm registered with the Exchange pursuant to registration categories (1a), (1b), (2a) or (2b) of Regulation 230.02.~~

- (a) ~~A member firm affiliate may qualify for delegate fee treatment (i.e., the applicable member firm fee plus the applicable delegate fee) with respect to its transactions on the Exchange: (1) if a Series B-1 (Full) membership, leased in the name of one of its principals or employees, and 27,338 shares of Class A common stock of CBOT Holdings are registered on its behalf; or (2) if a Series B-2 (Associate) membership, leased in the name of one of its principals or employees, and 10,000 shares of Class A common stock of CBOT Holdings are registered on its behalf.~~
- (b) ~~A member firm which owns one or more Series B-1 (Full) or Series B-2 (Associate) memberships, in addition to any memberships required for its own registration under Rule 230.00, (hereinafter "non-qualifying memberships") may designate such a non-qualifying membership as well as non-qualifying (not required for the member firm's own registration) shares of Class A common stock of CBOT Holdings, to make its member firm affiliate eligible for member firm transaction fee treatment. A non-qualifying membership and non-qualifying shares may not be designated for more~~

~~than one member firm affiliate at any given time. A member firm affiliate, for which a non-qualifying Series B-1 (Full) membership has been designated, must have 27,338 shares of Class A common stock of CBOT Holdings either registered or designated on its behalf, in order to be eligible for member firm transaction fee treatment. A member firm affiliate, for which a non-qualifying Series B-2 (Associate) membership has been designated, must have 10,000 shares of Class A common stock of CBOT Holdings either registered or designated on its behalf, in order to be eligible for member firm transaction fee treatment.~~

- ~~(c) A member firm that has at least four (4) Series B-1 (Full) memberships and two (2) Series B-2 (Associate) memberships and 129,352 shares of Class A common stock of CBOT Holdings (which may be acquired and registered as combinations or as separate interests in one or more transactions) registered on its behalf, including any Series B-1 (Full) memberships and shares of Class A common stock of CBOT Holdings required for its own registration under Rule 230.00, may designate any number of its member firm affiliates for member firm transaction fee treatment. A member firm whose proprietary trading on the Exchange includes only agricultural contracts may, at its option, designate for member firm transaction fee treatment any number of its member firm affiliates whose proprietary trading on the Exchange also includes only agricultural contracts, if the member firm has at least five (5) Series B-1 (Full) memberships and 136,690 shares of Class A common stock of CBOT Holdings registered on its behalf (which may be acquired and registered as combinations or as separate interests in one or more transactions).~~

~~(ii) Member Firm Designation of Passive Investor Entities—A member firm that is registered with the Exchange pursuant to registration categories (1a), (1b), (2a) or (2b) of Regulation 230.02, and that has at least four (4) Series B-1 (Full) memberships and two (2) Series B-2 (Associate) memberships and 129,352 shares of Class A common stock of CBOT Holdings registered on its behalf, including any Series B-1 (Full) memberships and shares of Class A common stock of CBOT Holdings required for its own registration under Rule 230.00, and/or member firm affiliates of such a category (1a), (1b), (2a) or (2b) member firm, or a member firm registered with the Exchange pursuant to registration category (2c) of Regulation 230.02, may designate, for member firm transaction fee treatment, up to a total of five non-FCM, non-clearing passive investor entities, where the member firm or member firm affiliate exercises trading control over, or is under common trading control with, such entities, or in addition with respect to a category (2c) member firm, which wholly owns such entities. For purposes of this regulation, a “passive investor entity” is defined as a commodity pool, hedge fund, or other collective investment vehicle.~~

~~If a Regulation 230.02, category (1a), (1b), (2a) or (2b) member firm and/or its member firm affiliates, or (2c) member firm wishes to designate more than five passive investor entities as described in this paragraph (ii), there must be an additional four (4) Series B-1 (Full) memberships and two (2) Series B-2 (Associate) memberships and an additional 129,352 shares of Class A common stock of CBOT Holdings registered on the member firm's behalf, in order for the member firm and/or member firm affiliates to be eligible to designate up to a total of six additional such entities.~~

(iii) ~~Provisions Applicable to Designations of Member Firm Affiliates and Passive Investor Entities~~ – All designations of member firm Qualified Affiliates and qualified pools, hedge funds and other collective investment vehicles, as set forth in

Appendix 2D, ~~passive investor entities, as described in paragraphs (i) and (ii) above, shall be subject to the following provisions:~~(a) — In order to become effective, the designation must be documented with, and approved by, the Exchange in such manner as the Exchange prescribes, before they will become effective. The Exchange may withdraw its approval of such a designation for good cause.

~~(b) Upon such designation, the member firm affiliate or passive investor entity shall be subject to the Exchange's jurisdiction and to all duties and obligations imposed upon members and member firms under the Rules and Regulations; provided, however, that the Exchange may exempt such member firm affiliates or passive investor entities from any such duty or obligation which, in the Exchange's sole judgment, is incompatible or in conflict with, or is unrelated to, the activities of the member firm affiliate or passive investor entity.~~

~~(c) The Exchange may withdraw its approval of such designation for good cause.~~

~~(d) A non-qualifying membership and non-qualifying shares of Class A common stock of CBOT Holdings described in paragraph (i)(b), and all of the memberships and shares of Class A Common stock of CBOT Holdings described in paragraphs (i)(c) and (ii), will be subject to sale by the Exchange for the acts or delinquencies of the member firm by which they are designated or for which they are registered, and/or for the acts or delinquencies of any member firm affiliate or passive investor entity that has been designated by the member firm under this regulation~~

~~(e) Upon the sale or transfer of a non-qualifying membership or any of the shares of Class A common stock of CBOT Holdings described in paragraph (i)(b) or any of the memberships or shares of Class A common stock of CBOT Holdings described in paragraphs (i)(c) and (ii), claims may be filed pursuant to Regulation 249.01(g) against the member firm by which they are designated or for which they are registered, and/or against any member firm affiliate or passive investor entity that has been designated by the member firm under this regulation.~~

230.04 Liability of Registered Memberships and Registered Shares - Member firms and member firm Qualified Affiliates and qualified pools, hedge funds and other collective investment vehicles, as described in Regulation 230.03 and Appendix 2D, shall be subject to all requirements and prohibitions contained in the Rules and Regulations that are applicable to members, unless otherwise specified in the Rules and Regulations. All nominees on memberships registered to qualify a member firm, ~~or member firm~~ Qualified Affiliate or pool, hedge fund or other collective investment vehicle shall be subject to discipline, and all registered memberships and registered shares of Class A common stock of CBOT Holdings shall be subject to sale by the Exchange for the acts or delinquencies of the any member firm, or any member firm Qualified Affiliate, or pool, hedge fund or other collective investment vehicle which is qualified by such registered memberships or shares, as well as for those of such nominees or any member-shareholders who have registered such shares on behalf of in order to qualify the member firm, Qualified Affiliate, or pool, hedge fund or other collective investment vehicle. In

addition, the proceeds of the sale or transfer of any registered memberships or registered shares of Class A common stock shall be subject to claims pursuant to Regulation 249.01(g) and Rule 252.00.

230.06 Additional Seat Requirement

A pool, hedge fund or other collective investment vehicle that was approved in the Equity Member Firm category, pursuant to Regulation 230.02 and Appendix 2D. A firm ~~registered under Regulation 230.02, Category (2e)~~ may take up to eighteen months from the date of its registration approval, if such approval was granted prior to April 26, 2006, to acquire and complete the registration of its six required memberships and 129,352 shares of Class A common stock of CBOT Holdings. ~~However, no such firm will be approved for member firm status until such time as it has purchased, or has registered on its behalf, at least one Series B-1 (Full) membership and 27,338 shares of Class A common stock of CBOT Holdings and one Series B-2 (Associate) membership and 10,000 shares of Class A common stock of CBOT Holdings.~~

~~A firm registered under Regulation 230.02, Category (1a), (1b), (2a) or (2b) may take up to eighteen months from the date that it has designated a commodity pool or hedge fund for member transaction fee treatment, pursuant to Regulation 230.03, if such designation was made prior to April 26, 2006, in which to acquire and complete registration of the six memberships and 129,352 shares of Class A common stock of CBOT Holdings required for this purpose. In order to initiate this designation process, the firm must have purchased or must have registered on its behalf, at least one Series B-1 (Full) membership and 27,338 shares of Class A common stock of CBOT Holdings and one Series B-2 (Associate) membership and 10,000 shares of Class A common stock of CBOT Holdings.~~

Until such time as the membership and stock requirement has been met, ~~the any such pool, hedge fund or other collective investment vehicle Category (2e) member firm and the qualified commodity pool or hedge fund of a Category (1a), (1b), (2a) and (2b) member firms~~ will continue to be charged exchange transaction fees at the non-member level. Once the membership and stock requirement has been completely satisfied, the Exchange will grant an adjustment to the appropriate member fee level via a fee credit. This adjustment period will not exceed eighteen months. If the member firm takes more than eighteen months to meet the membership and stock requirement, the Exchange will grant an adjustment only for the eighteen months immediately prior to meeting the membership/stock requirements.

244.00 Exchange Service Fees

(a) **members and member firms.** Each Series B-1 (Full), Series B-2 (Associate), Series B-3 (GIM), Series B-4 (IDEM), or Series B-5 (COM) member (hereinafter referred to as "members"), and member firm shall be obligated to pay, at such times and in such manner as the Exchange may prescribe, fees for transactions executed by open auction and on e-cbot, as described below and in accordance with the fee schedule set forth in Appendix 2B, which is incorporated into this Rule by reference. In that Appendix, the applicable rate specifications shall be per contract/per side, and the applicable volume specifications shall be per calendar month.

(1) Open auction fee caps – with respect to open auction trades for a Series B-1 (Full), Series B-2 (Associate), Series B-3 (GIM), Series B-4 (IDEM) or Series B-5 (COM) member's own account, the maximum of fees paid by any such member shall be \$20,000 per year per person who executes the trades. With respect to open auction trades for the proprietary account of a Closely Held Clearing Proprietary Firm or a Closely Held Equity Proprietary Firm, Regulation 230.02, Category (1a), (1b), (2a), (2b), (3a) or (3b) ~~member firm or a member firm~~ Qualified Affiliate of either such a firm, as defined in Regulation 230.03, as set forth in Appendix 2D, which are initiated and executed by the same member, who is registered with the Exchange as a trader for the account pursuant to procedures established by the Exchange, the maximum of fees paid by any such member firm or ~~member firm~~ Qualified Affiliate shall be \$20,000 per year per person who initiates and executes the trades.

(2) Open auction floor broker fee – Open auction trades executed by a member as a floor broker for others shall incur a floor brokerage charge of 2 cents per contract/per side. Provided, however, that this charge shall not apply to trades which are both initiated and executed by the same member for the account of a member, or the proprietary account of a member firm. The maximum of fees paid by any Series B-1 (Full), Series B-2 (Associate), Series B-3 (GIM), Series B-4 (IDEM) or Series B-5 (COM) member pursuant to this subsection shall be \$20,000 per year. When a member executes trades as a floor broker for others and also executes open auction trades for his or her own account, the maximum of fees paid by such member for all such open auction trades collectively shall be \$20,000 per year.

(3) Firm-owned memberships – Notwithstanding subparagraphs (a)(1) and (a)(2) above, the fees applicable with respect to memberships which are owned by member firms shall be equivalent, in the following categories, to those which the Exchange prescribes for delegates:

(i) Trades for such member's own account, in cases where the individual is not a principal of the member firm which owns his/her membership. For purposes of this paragraph, an individual shall be deemed a principal of a member firm if he/she holds a majority ownership interest in that firm and/or meets other such criteria as the Exchange may prescribe by regulation; and

(ii) Trades executed by such member on behalf of any account other than the proprietary account or a customer account of the member firm owner of the membership, or its ~~member firm~~ Qualified Affiliate, as defined in Regulation 230.03.

(b) **non-members.** Each member firm handling the funds of non-member customers shall include, in the statements to such customers, fees for the open auction and e-cbot transactions executed for the accounts of such customers in accordance with the fee schedule set forth in Appendix 2B. In that Appendix, the applicable rate specifications shall be per contract/per side, and the applicable volume specifications shall be per calendar month.

All such fees collected from non-member customers shall be remitted by the member or member firm at such times and in such manner as the Exchange may prescribe.

No member firm shall identify on its statements to nonmember customers any charge as an "Exchange Service Fee" unless the amount shown is actually due and payable to the Exchange under this Rule.

- (c) **surcharges.** Exchange transaction fee surcharges, exchange fees for non-trade transactions, and clearing fees are set forth in Appendix 2B, which is incorporated into this Rule by reference.
- (d) **revenue.** The Exchange shall have the authority in its discretion to suspend any of the fees specified in this Rule at any time during a fiscal year.
- (e) **reports.** Each member or member firm subject to the provisions of this Rule shall submit to the Exchange such reports as the Exchange may deem necessary for the administration of this Rule.
- (f) **special assessments.** This Rule shall not be construed to supersede Rule 240.00 in any way nor to abrogate the responsibility and right of the Exchange to levy such additional assessments, charges or fees upon the membership as it may deem necessary or advisable.

244.08 Category (2e) Fees for Pools, Hedge Funds or Other Collective Investment Vehicles – Equity Members

Member firms qualified under the Pools, Hedge Funds or Other Collective Investment Vehicles Equity Member Firm category, pursuant to Regulation 230.02 and Appendix , ~~Regulation 230.02 Category (2e)~~ will be granted the same fee treatment that as the proprietary accounts of Equity Member Firms that are Registered Clearing or Equity FCMs or Corporate Clearing or Equity Proprietary Firms, pursuant to Regulation 230.02 and Appendix 2D, ~~Category (1a), (1b), (2a) and (2b) member firms receive~~ where the trade is ~~either initiated or~~ executed by a non-member for those firms' accounts.

252.00 Proceeds of Membership and Class A Common Stock

- (a) **GRANT OF SECURITY INTEREST.** Each member of the Exchange grants to the Exchange for the benefit of the Exchange, the Clearing Services Provider, such member's Primary Clearing Member, all other Clearing Members and all other members of the Exchange, a security interest in the shares of Class A common stock of CBOT Holdings associated with each of such member's memberships in the Exchange, which, for purposes of this Rule 252.00, includes (1) all shares of Class A common stock, Series A-2 and Class A common stock, Series A-3 of CBOT Holdings associated with each of such member's memberships (regardless of holder); and (2) all restricted and unrestricted shares of Class A common stock of CBOT Holdings registered on behalf of, or which qualify, CBOT Clearing Members, member firms, ~~member firm~~ Qualified Affiliates and designated passive investor entities ~~pools, hedge funds or other~~

collective investment vehicles under Rule 230.00 or Regulation 230.02 or 230.03, and the proceeds thereof for the purpose of securing such member's, member firm's, ~~member firm~~ Qualified Aaffiliates' or ~~designated passive investor entities'~~ pools', hedge funds' or other collective investment vehicles' obligations, whether direct or indirect, absolute or contingent, under the Certificate of Incorporation, Bylaws and Rules and Regulations of the Exchange, including, without limitation, this Rule 252.00.

* * * *

270.01 Restrictions on Operations - The Financial Compliance Committee shall advise the Chairman or Acting Chairman of the Board whenever it appears that a member firm or ~~member firm~~ Qualified Aaffiliate, as defined in Regulation 230.03, is insolvent; is failing to meet the minimum capital requirements of the Exchange, if applicable, and cannot demonstrate its ability to achieve compliance; is in such financial condition that it cannot be permitted to continue in business with safety to its customers, its creditors, or the Exchange; or such other condition or practice exists which may adversely affect the safety of funds or positions carried for others. Upon the receipt of such advice, the Chairman or Acting Chairman may, subject to the provisions of Regulation 540.06, impose any restriction upon the operations of such member firm or ~~member firm~~ Qualified Aaffiliate as he deems appropriate in the circumstances.

Any member firm or ~~member firm~~ Qualified Aaffiliate failing or refusing to comply promptly with a restriction imposed by the Chairman may be fined, suspended, or expelled by the Exchange.

Nothing in this Regulation shall preclude disciplinary action for the violation of any Rule or Regulation of the Exchange which contributed to the condition for which restrictions are imposed under this Regulation.

332.03 Customer Type Indicator (CTI) Codes

Each clearing member must identify each transaction executed on the Floor of the Exchange or on e-cbot, on the record of transactions that is submits to the Clearing Services Provider, with the correct customer type indicator ("CTI") code. The CTI codes are as follows:

CTI 1: Electronic Trading and Open Auction: - Applies to transactions initiated and executed by an individual member for his/her own account, for an account he/she controls, or for an account in which he/she has an ownership or financial interest. However, transactions initiated and executed by a member for the proprietary account of a member firm must be designated as CTI2 transactions.

CTI2: Electronic Trading and Open Auction – Applies to orders entered/trades executed for the proprietary accounts of a member firm or ~~member firm~~ Qualified Aaffiliate, as defined in Regulations 230.02 or 230.03. Members initiating and

executing trades by open auction for the proprietary accounts of a member firm may participate in the Exchange's CTI 2/1 Conversion Program.

CTI3: Electronic Trading – Applies to orders entered by a member or a non-member Registered User for the account of another individual member or an account controlled by such other individual member.

CTI3: Open Auction – Applies to orders that a member executes on behalf of another individual member, or for an account such other member controls or in which such other member has an ownership or financial interest.

CTI4: Electronic Trading and Open Auction – Applies to all orders/transactions not included in CTI categories 1, 2, or 3. These typically are orders entered by or on behalf of non-member entities.

540.13 Application of Rules and Regulations

The provisions of this Chapter shall apply to all members, member firms, Qualified registered partnerships and corporations, their wholly owned affiliates and qualified pools, hedge funds or other collective investment vehicles, as defined in Regulation 230.03, other persons with trading privileges, agricultural regular firms, guaranteed introducing brokers, and any employee or Associated Person of any such individual or firm, unless specifically exempted.

Appendix 2D

FIRM MEMBERSHIP TYPE	TRADING RIGHTS AND CLASS A SHARES
EQUITY MEMBER FIRMS	
Closely Held Clearing Proprietary Firms ¹ Corporate Clearing Proprietary Firms ² Registered Equity FCMs Sole Proprietor Clearing Member	1 Series B-1 (Full) and 27,338 shares
Closely Held Equity Proprietary Firms ¹ Corporate Equity Proprietary Firms ² Qualified Affiliates ³ of Closely Held Clearing or Equity Proprietary Firms, Corporate Clearing or Equity Proprietary Firms, or Registered Clearing or Equity FCMs	1 Series B-1 (Full) and 27,338 shares; or 1 Series B-2 (Associate) and 10,000 shares
Registered Clearing FCMs	2 Series B-1 (Full) and 54,676 shares
Membership Umbrella – Unlimited Number of Qualified Affiliates ³	4 Series B-1 (Full), 2 Series B-2 (Associate) and 129,352 shares; or 5 Series B-1 (Full) and 129,352 shares (Agricultural Only)

¹ Closely Held Proprietary Firms must be wholly owned by members or by members and employees of the firm.

² Proprietary Firms that are not wholly owned by members or by members and employees of the firm must have a business purpose deemed appropriate by the Exchange, including cash grain firms, financial institutions, market makers designated by the Exchange, proprietary trading firms that do not otherwise meet the definition of a Pool, Hedge Fund or Other Collective Investment Vehicle, or other forms of business approved by the Exchange.

³ Qualified Affiliates are non-FCM, non-clearing entities that are not pools, hedge funds or other collective investment vehicles, and which are wholly owned by one or more member firms, wholly own a member firm, or are wholly owned by the same parent company(ies) as a member firm.

Pools, Hedge Funds or Other Collective Investment Vehicles – Equity Members	4 Series B-1 (Full), 2 Series B-2 (Associate) and 129,352 shares ⁴
TRADING MEMBER FIRMS	
Proprietary Trading Firms ² Registered Trading FCMs Qualified Affiliates ³ of any Equity or Trading Member Firm (excluding Pools, Hedge Funds or Other Collective Investment Vehicles – Equity or Trading Members)	1 Series B-1 (Full); or 1 Series B-2 (Associate); or 1 Series B-4 (IDEM); or 1 Series B-5 (COM)
Qualified Affiliates ³ of any Equity or Trading Member Firm (excluding Pools, Hedge Funds or Other Collective Investment Vehicles – Equity or Trading Members)	1 Series B-1 (Full) - Leased; or 1 Series B-2 (Associate) - Leased; or 1 Series B-4 (IDEM) - Leased; or 1 Series B-5 (COM) - Leased
Pools, Hedge Funds or Other Collective Investment Vehicles – Trading Members	2 Series B-1 (Full) and 1 Series B-2 (Associate) ⁵
e-cbot MEMBER FIRMS	

⁴ Qualifies up to six pools, hedge funds or other collective investment vehicles where the member firm exercises trading control over, is under common trading control with, or wholly owns such entities. Each additional Series B-1 (Full) membership and 27,338 shares or Series B-2 (Associate) membership and 10,000 shares will qualify an additional such entity. A Registered Clearing FCM or Registered Equity FCM that qualifies for the Membership Umbrella may also qualify a pool, hedge fund or other collective investment vehicle, over which it or any of its Qualified Affiliates exercises trading control, through the registration of an additional Series B-1 (Full) membership and 27,338 shares or Series B-2 (Associate) membership and 10,000 shares for each such entity that it wishes to qualify for Equity Member Firm transaction fees, or through the registration of an additional Series B-1 (Full) or Series B-2 (Associate) membership for each such entity that it wishes to qualify for Trading Member Firm transaction fees.

⁵ Qualifies up to three pools, hedge funds or other collective investment vehicles where the member firm exercises trading control over, is under common trading control with, or wholly owns such entities. Each additional Series B-1 (Full) or Series B-2 (Associate) membership will qualify an additional such entity.

e-cbot Member Firms	1 Series B-1 (Full) – Leased; or 1 Series B-2 (Associate) – Leased
INVESTMENT ONLY MEMBER FIRMS	
Investment Only Member Firms	1 Series B-1 (Full) 1 Series B-2 (Associate) 1 Series B-3 (GIM) 1 Series B-4 (IDEM) 1 Series B-5 (COM)